

SENATOR KOCH: Mr. President, members of the body. Frankly, I'm getting a little weary of the issue of state aid, and I'm sure that many of you are too. It is obvious that some of you are casting votes without too much thought. Senator Burrows is correct when he says that property tax may be defunct as a source of revenue for education. But it is defunct because we rely upon it so heavily as a means of financing education, and we have heard this story before. It is also defunct and somewhat archaic because we have basically provided all support of education through property tax. Now, what Senator Burrows is going to do, he is going to produce a dichotomy in that he is going to exempt property completely and take it strictly from income and corporate tax. Now, you have a source of funding that is just as inequitable as the property tax is. I just can't believe that this legislative body in its wisdom would so quickly capitulate to an idea of funding education only from, and basically from, income tax. I realize the corporates are in here to a degree, but to a smaller degree than the people who pay the income tax in the state of Nebraska. As an individual who represents education and who is interested in education I can not sit here silently and allow this concept to be sold on what someone thinks is an easy to solve the problems of financing education. This is my third year to try and sell to this body some degree of an equitable financing system based upon property tax, income tax, corporate tax and sales tax. Yet this body says to me occasionally, your formula is wrong in the way it comes back. Senator Burrows has presented no formula what-so-ever in terms of how it is going to go back to schools, except he says, that we will get our money in our counties for our schools. If we are short, then we are going to dip into the pools supplied by the corporates of 50 million dollars, this is his anticipated amount. I would ask him presently what the corporates are paying into the revenue of the General Fund of Nebraska. I don't think that it reaches this amount because we do have a revenue act that this body enacted a number of years ago that says that the sales tax, income and corporate tax should be, to some degree, related in terms of the amount of revenue that they generate. Now, all of a sudden we are going to emasculate that revenue act and we are going to add new dimensions upon the income tax and the corporate tax with no degree of consideration in terms of sales tax. I would assume that Senator Burrows is going to fund most all state programs out of the sales tax. This is difficult for me to comprehend, because I believe, and I have said it before and I'll state it one more time and I guess I'll state it as often as I have to. Whether we like it or not there is a degree of wealth associated with owning property. I don't think that anyone in here can deny that. I can not believe that this body would completely exempt property from any obligation as it relates to the financing of the public schools in the state. Because, I am certain and I do not want to use the courts as a scare tactic. But, I am certain, as certain as I can be as we stand here that someone would lodge a court case against using only income tax and corporate tax as a means of supporting the schools of this state. I am certain that the courts would say as they have in New Jersey and Connecticut and in other places that you have to use all indicators of wealth to support your public school system. If you don't want to do it as a legislature, then we as a court will step in and we will write the state aid bill for you. I just find it extremely frustrating to get engaged in the business of talking about financing. Senator Burrows, I appreciate his efforts in this piece of legislation,